

NATIONAL CREDIT UNION ADMINISTRATION

Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund

General Guidelines for Technical Assistance Grants for Credit Unions

Building Internal Capacity Initiative -2007

Opens: May 4, 2007

Closes: July 6, 2007

Awards Announced: September 7, 2007

PACKAGE INCLUDES:

1. Application
2. Instructions
3. Guidelines
4. Sample Summary Sheet

Eligible credit unions may apply for up to \$7,000.

*National Credit Union Administration
Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund
1775 Duke Street
Alexandria, Virginia 22314*

*National Credit Union Administration
Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund*

<p>Application Building Internal Capacity Initiative - 2007</p>

1. CREDIT UNION NAME	
2. MAILING ADDRESS	
MAILING ADDRESS, CON'T	
3. CITY, STATE, ZIP	
4. CONTACT NAME/TITLE	
5. CONTACT PHONE	
6. CREDIT UNION FAX NUMBER	
7. CREDIT UNION EMAIL ADDRESS	
8. CREDIT UNION CHARTER NUMBER	
9. CREDIT UNION EMPLOYER TAX ID NUMBER	
10. CREDIT UNION DUN AND BRADSTREET UNIVERSAL NUMBERING SYSTEM NUMBER	
11. AMOUNT REQUESTED	\$
12. NAME AND TITLE OF AUTHORIZED INDIVIDUAL	
13. SIGNATURE	

*By signing above, the credit union representative (1) is certifying that the credit union remains low-income designated, as defined in NCUA's Rules and Regulations; and (2) is committing the credit union to working toward the objectives of the CDRLF as described in the grant guidelines and in the application.

Please read all instructions and guidelines thoroughly before completing the application.

Answer the following questions and attach separate sheets for your responses.

1. Describe fully the activity or project that the grant will cover.
2. What is the total cost of implementing the project or undertaking the activity—including grant awards from NCUA, the credit union's own monies, grants from other partners, and all other funds provided to complete the project:?

Total cost of the project—

NCUA grant: \$ _____

Other funds: \$ _____

Total Cost of Project \$ _____

3. Provide a list of vendors who will deliver the goods and/or services, and an itemized list of costs associated with the project.

Please provide your response in the format shown below. List costs in order of most to least important.

Vendor Name	Item Description	Cost of Item
(1) <u>Example Company</u>	<u>1 Thing</u>	<u>\$ 500.00</u> (most important)
(2) <u>Sample, Inc.</u>	<u>4 Things @ \$100.00</u>	<u>\$ 400.00</u> (least important)

4. Attach copies of bids, estimates, prices, and other supporting information.
5. How will the proceeds of the grant improve the operations or the financial condition of the credit union?
6. How will the proceeds of the grant
 - a) improve the quality of financial services to members; or,
 - b) stimulate economic activities in the communities served by the credit union, and result in increased income, ownership, or employment?
7. How will the credit union measure
 - a) improvement in financial services to members; or,

b) economic activities in the communities served by the credit unions that have resulted in increased income, ownership, or employment?

General Guidelines for Technical Assistance Grants for Credit Unions

Building Internal Capacity Initiative -2007

Instructions

1. Enter the full legal name of the credit union. (EG: Mammoth Employees Federal Credit Union or Middle America Credit Union)
2. Enter the mailing address of the credit union, including suite number, building number, floor, or any additional required address information.
3. Enter the City, State, and ZIP code corresponding to the mailing address of the credit union.
4. Enter the name and title of the individual to whom questions regarding this grant application should be addressed.
5. Enter the telephone number of the contact person listed in item 4 above.
6. Enter the fax number of the credit union, if none, enter “none.”
7. Enter the credit union’s email address (format should be credit.union@ncua.gov), if none, enter “none.”
8. Enter the credit union’s charter number.
9. Enter the credit union’s 9 digit employer tax ID number.
10. Enter the credit union’s 9 digit Dun and Bradstreet Universal Numbering System (DUNS) Number. Dun and Bradstreet Universal Numbering System (DUNS) numbers may be obtained by calling Dun and Bradstreet, toll-free, at 1-866-705-5711.
11. Enter the dollar amount of the grant amount that the credit union is requesting.
12. Type or print the name and title of the individual who is authorized to sign on behalf of the credit union.
13. The individual named in question 12 above must sign the front page of this application.

Questions regarding this application can be directed to the Office of Small Credit Union Initiatives at

National Credit Union Administration
Office of Small Credit Union Initiatives
1775 Duke Street
Alexandria, VA 22314

(703) 518-6610—phone
(703) 519-4088—facsimile
oscuiapps@ncua.gov—email

Guidelines

What is the Purpose of the Community Development Revolving Loan Fund?

The National Credit Union Administration's (NCUA's) Community Development Revolving Loan Fund (CDRLF) was established by Congress to support credit unions that serve low-income communities by making loans and TAGs available to qualifying institutions. Low-interest loans/deposits are made available to low-income designated credit unions to enhance their financial capacity to, in turn, extend financial services to their members.

Congress appropriates funds to the CDRLF for loans and grants. The interest earned on loans is also available as a source of additional funds retained by the program for grant purposes.

What is the objective of Technical Assistance Grants?

The objective, or desired outcome, of technical assistance grants is to:

- Improve the quality of financial services to members;
- Make the operations of low-income credit unions more efficient; and, ultimately
- Stimulate economic activities in the communities served by the credit unions.

By applying for technical assistance grant funds, the credit union is committing to working toward the purpose of the CDRLF and the objective of a technical assistance grant.

Which credit unions are eligible to apply?

To participate in the Program, a federally chartered credit union must be currently designated as a "low-income" credit union as set forth in NCUA's Rules and Regulations, Section 701.34. A state chartered credit union must have the equivalent low-income designation from its respective state supervisory authority (SSA) and concurrence from NCUA.

In addition, based on an Office of Management and Budget (OMB) policy directive effective October 31, 2003, credit unions must have a Dun and Bradstreet Universal Numbering System (DUNS) number in order to be eligible to receive grant or loan funding from the CDRLF. As of this printing, a DUNS number may be obtained by calling Dun and Bradstreet, toll-free, at 1-866-705-5711.

How does the grant payment process work?

- First, credit unions must apply for a grant before making any expenditure.
- After receiving a grant approval letter, the credit union may purchase the goods or spend the funds, up to the amount approved.
- After making the expenditure, the credit union must then submit copies of receipts and proof of payment to NCUA for reimbursement.
- NCUA will review the receipts and issue a check to reimburse approved expenditures.
- All requests for reimbursement must be received before the end of the commitment period listed in the grant award letter.
- OSCUI will not process applications that are incomplete. Credit unions may resubmit a complete grant application, provided the submission deadline has not passed.

What is the Building Internal Capacity Initiative?

This initiative is designed to provide funds for projects that improve the overall operations or financial condition of the credit union, and ultimately enable the credit union to better deliver services to its members.

Grants awarded under this initiative might include, but are not limited to, the following:

- Enhancing or improving technologies;
- Developing strategic, business, and succession plans;
- Preparing emergency and business resumption strategies;
- Enhancing facilities, directly related to providing services to members, such as renovating a teller line, or adding a loan officer station;
- Contracting a grant writer;
- Offsetting the costs of a Volunteer In Service to America (VISTA);
- Addressing items of supervisory concern; and,
- Developing policies.

How much money is available?

For 2007, NCUA has allocated \$280,000 for the Building Internal Capacity Initiative. Eligible credit unions may request up to \$7,000.

What are allowable uses of grant funds?

Grant funds may be used to pay the following costs associated with a project. This list is not exhaustive, but is intended to be representative of costs which may be approved.

- Equipment purchase and installation
- Equipment rental
- Hardware
- Installation costs
- Legal opinion costs
- Marketing and advertising
- Mileage (not to exceed the 2006 IRS standard mileage rate of 48.5 cents per mile)
- Parking
- Policy/procedure development costs
- Printing and reproduction costs
- Professional fees
- Programming costs
- Public transportation, including airfare
- Software
- Workstation upgrades

All approved costs will be detailed in the grant award letter to the credit union.

What are the application deadlines?

The Building Internal Capacity Grant Initiative opens on May 4, 2007 and closes on July 6, 2007. All grant applications must be received in the Office of Small Credit Union Initiatives by 5pm on the July 6, 2007.

OSCUI will not process applications that are incomplete. OSCUI will notify credit unions by fax or email of the items missing from the grant application. Credit unions may resubmit their completed grant application, provided the submission deadline has not passed.

What is the method for evaluating the grant applications?

Grant applications will be evaluated at the end of the application acceptance period, based on financial and non-financial factors as listed below.

Financial factors include the following:

- CAMEL Rating
- Net Worth Ratio

Delinquency Ratio
Return on Assets Ratio.

Financial factors are used to determine the financial condition of the credit union and its likelihood of continued successful operations.

Non-Financial factors include the following:

Assessment of Management is a determination of whether management has been responsive to examiners and whether management has the ability to carry out the project described in the grant application.

Purpose is a determination of whether the outcome of the project, as described in the grant application, coincides with the purpose of the CDRLF as described in Section 705.2 of the NCUA's Rules and Regulations. That purpose would be: (1) providing basic financial and related services to residents in their communities; and (2) stimulating economic activities in the communities they serve which will result in increased income, ownership and employment opportunities for low-income residents, and other community growth efforts.

Assessment of Impact is a determination of the scope and reach of the proposed use of the grant funds. Grant applications which indicate that grant funds will have an impact on credit union members and the community as whole will receive priority consideration.

Previous Funding is a determination of whether the credit union has received previous CDRLF grant funding. Credit unions which have NOT received funding in the past will receive priority consideration.

Ability to Self-Fund is an assessment of the credit union's net worth, cash, and liquidity to determine whether the credit union has the ability to fund the project on its own. Priority consideration is given to those credit unions which cannot completely fund the project described in the grant application without an adverse effect on the credit union's financial condition.

Partnerships is a determination of whether the credit union has developed other partner relationships and has considered other sources of grant funds.

What information needs to be submitted with the grant application?

Credit unions must submit a completed Technical Assistance Grant Application.

Incomplete grant applications will not be considered. OSCUI will notify the credit union if the grant application is incomplete. Credit unions may resubmit a completed application provided the application acceptance period is still open.

Where should completed applications be submitted?

Applications may be faxed to: (703) 519-4088

Applications may be emailed to: oscuiapps@ncua.gov

Credit unions that are unable to fax or email applications should telephone the Office at (703) 518-6610.

When will credit unions know about grant awards?

OSCUI will notify credit union applicants of the grant awards by September 7, 2007.

What is the reporting requirement after receiving a grant?

Credit unions receiving awards must provide to OSCUI a summary of the outcome of the grant funding on the credit union's operations. The summary should discuss the overall project and how the funding enabled the credit union to accomplish its objective. Credit unions must specify the impact that grant funds have had on the credit union's delivery of service and the consequences upon the community the credit union serves.

The time frame for submitting the summary is generally 6 months after receiving the grant, and will be restated in the award letter. The submission deadline is established to allow reasonable time for the credit union to ascertain the benefits of the grant.

A formatted summary form will be sent to the credit union with the grant award letter.

Summaries may be faxed to: 703-519-4088

Summaries may be emailed to: oscuiapps@ncua.gov

Is there anything that would cause an application to be immediately denied?

Yes.

1. Grants from the CDRLF are reimbursable grants. Credit unions applying for TAGs must obtain approval of the proposed expenditures before making those expenditures. Therefore, the OSCUI will not fund any grant where the credit union has committed to, procured, or purchased the good or service in advance of grant approval.

2. TAG funds are not provided for recurring operational expenses such as salaries, rent, maintenance agreements, annual audits, funding for the allowance for loan losses, or office supplies.

Salaries to employees are not reimbursable under any CDRLF grant initiative. An individual is considered an employee if the credit union withholds income taxes,

withholds and pays Social Security and Medicare taxes, and pays unemployment tax on wages paid.

Expenses for contractors may be reimbursable under certain grant initiatives. In general, the credit union would not withhold or pay any taxes on payments to independent contractors.

3. Credit unions may not use TAG funds to provide funds to members, such as funding the matching portion of an IDA program or providing gift cards to members.

4. TAG funds may not be used to reimburse NCUA for any activity.

How can credit unions contact the office with questions?

Credit unions can contact the office at

Office of Small Credit Union Initiatives
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314

Phone: (703) 518-6610
Fax: (703) 519-4088
Email: oscuiapps@ncua.gov

*National Credit Union Administration
Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund*

Grant Outcome Summary Building Internal Capacity Initiative - 2007

1. CREDIT UNION NAME	
2. MAILING ADDRESS	
MAILING ADDRESS, CON'T	
3. CITY, STATE, ZIP	
4. CREDIT UNION CHARTER NUMBER	
5. COMMITMENT NUMBER	

1. Did your credit union provide a new service? If so, describe.
2. Did your credit union expand upon an existing service? If so, describe.
3. Primary purpose of the project: (select only one)
 - ☐ Providing financial services to members
 - ☐ Increasing income in the community
 - ☐ Increasing ownership in the community (including increased share balances)
 - ☐ Increasing employment in the community (including increased loan activity)
 - ☐ Other (describe briefly)
4. Total cost of the project—including grant awards from NCUA, the credit union's own monies, grants from other partners, and all other funds provided to complete the project:

NCUA grant:	\$ _____
Other funds:	\$ _____
Total Cost of Project	\$ _____
5. How many members does the credit union currently serve?

6. Attach separate sheets to describe the project in more detail.

Please note that your credit union's success stories provide invaluable supporting information when we request annual appropriations from Congress to replenish the grant and loan fund.